

request. The terms and conditions of the Ameritech/AT&T Interconnection Agreements, (and as outlined in Mr. Thomas's letter of March 24), specifically Schedule 9.2.3, Section 2.5 and Schedule 9.5, Section 4.1.4, 4.1.5 and 4.1.7, specify the terms and conditions governing AT&T's obligation to pay Ameritech's costs for processing of a BFR especially as related to OS/DA routing/branding requests. In these sections AT&T agrees to "pay the applicable recurring and non-recurring costs of developing, installing, providing and maintaining the requested capability."

With respect to your request for clarification of Ameritech's interpretation of the costs AT&T is required to pay Ameritech for processing of a BFR, the following explanation is applicable. Section 3 of Schedule 2.2 specifically provides that in the event AT&T cancels a BFR, AT&T will pay Ameritech's "reasonable and demonstrable costs of processing and/or implementing the Bona Fide Request up to the date of cancellation...", unless such costs fall into the two exceptions specified in Section 3. However, Section 3 does not address situations in which AT&T does not cancel the BFR. BFR's that are not canceled are specifically governed by one or more of the provisions referenced above. These other sections clearly specify AT&T's obligation to compensate Ameritech for its costs. Thus, regardless of whether AT&T cancels the BFR, decides it is not interested in purchasing a service requested in a BFR or ultimately orders a service requested via the BFR process, the terms and conditions of the Interconnection Agreements obligate AT&T to compensate Ameritech for its reasonable and demonstrable costs of processing and/or implementing a BFR. Only two exceptions are provided for in the Agreement and neither applies here.

In its April 10 letter, AT&T also makes reference to Ameritech's request for a deposit. As stated on the BFR Form and in Ameritech's February 6 letter, payment of a deposit is an option that Ameritech has offered that is in addition to payment arrangements offered under the Ameritech/AT&T Interconnection Agreements. It is purely voluntary and if AT&T does not wish to avail itself of this option to limit the costs incurred under Phase I to the amount of the deposit, it is free to choose another option.

It should also be noted that Ameritech offered to process AT&T's BFR as an information request, (Bonnie Hemphill letter of January 2) but AT&T insisted that its request be processed as a formal BFR. Therefore, the rules set forth in our Interconnection Agreements concerning the recovery of Ameritech's costs are applicable to the processing of this or any other BFR submitted by AT&T.

Attachment I is a copy of Ameritech's summary bill (invoice) to AT&T (which is also being mailed under separate cover). As you can see, the amounts on the bill are the same as those provided to AT&T in Ameritech's March 10 response to AT&T's BFR.

This letter, together with the various letters that have been exchanged between our companies regarding your current BFR, provides Ameritech's position on AT&T's obligation to reimburse Ameritech for its costs in processing a BFR. Ameritech intends to continue to process AT&T's request in reliance on AT&T's compliance with its obligations under the Ameritech/AT&T Interconnection Agreements.

If I can be of any further assistance, please do not hesitate to contact me at (810)443-9900 or by facsimile at (810) 483-3738.

A handwritten signature in cursive script, reading "Joanne Missig". The signature is written in black ink and is positioned above the printed name and title.

Joanne Missig
Bona Fide Request Manager

cc: Bonnie Hemphill

Attachment



April 25, 1997

Ed Cardella

Ed,

As described in Ameritech's March 10, 1997 letter, attached is a summary bill for AT&T's BFR request for routing of OS/DA calls made by AT&T local customers to the AT&T OS/DA platform for the states of Illinois, Indiana, Michigan, Ohio and Wisconsin. As you can see the amounts are the same as indicated in the March 10 letter.

If you have any questions regarding this bill, please call me on 810-443-9900.

A handwritten signature in cursive script that reads "Joanne Missig".

Joanne Missig
Bona Fide Request Manager

cc: C. Michalski



BFR Invoice

Bill Date: 04/25/97

Mr. Ed Cardella
AT&T Communications, Inc.
227 West Monroe Street
Suite 20SH11
Chicago, Illinois 60606

Via FAX & Fed Ex

Please Remit To:

Ameritech - Information Industry Services
Carol Michalski
722 North Broadway - 16th Floor
Milwaukee, WI 53202

Total Current Charges: \$18,193.00

Due upon Receipt. One copy of this invoice must accompany payment

For Billing Inquiries call 1-810-443-9900

Product Detail

Bona Fide Request - Illinois

Invoice No: JP002IL

AT&T BFR dated 1/07/97 - Request for OS/DA Routing Information
for the state of Illinois.

AT&T Deposit	\$2,000
Less: Phase I Costs	<u>278</u>
Credit due AT&T	\$1,722
 Phase II Costs	 \$8,631
Less: Credit Due AT&T	<u>1,722</u>
Balance Due from AT&T	\$6,909

Product Detail

Bona Fide Request - Indiana

Invoice No: JP003IN

AT&T BFR dated 1/07/97 - Request for OS/DA Routing Information
for the state of Indiana.

AT&T Deposit	\$2,000
Less: Phase I Costs	<u>94</u>
Credit due AT&T	\$1,916
 Phase II Costs	 \$2,907
Less: Credit Due AT&T	<u>1,916</u>
Balance Due from AT&T	\$ 991

Product Detail

Bona Fide Request - Michigan

Invoice No: JP004MI

AT&T BFR dated 1/07/97 - Request for OS/DA Routing Information
for the state of Michigan.

AT&T Deposit	\$2,000
Less: Phase I Costs	<u>242</u>
Credit due AT&T	\$1,758
 Phase II Costs	 \$7,514
Less: Credit Due AT&T	<u>1,758</u>
Balance Due from AT&T	\$5,756

Product Detail

Bona Fide Request - Ohio

Invoice No: JP005OH

AT&T BFR dated 1/07/97 - Request for OS/DA Routing Information
for the state of Ohio.

AT&T Deposit	\$2,000
Less: Phase I Costs	<u>178</u>
Credit due AT&T	\$1,822
 Phase II Costs	 \$5,530
Less: Credit Due AT&T	<u>1,822</u>
Balance Due from AT&T	\$3,708

Product Detail

Bona Fide Request - Wisconsin

Invoice No: JP006WI

AT&T BFR dated 1/07/97 - Request for OS/DA Routing Information
for the state of Wisconsin.

AT&T Deposit	\$2,000
Less: Phase I Costs	<u>88</u>
Credit due AT&T	\$1,912
 Phase II Costs	 \$2,741
Less: Credit Due AT&T	<u>1,912</u>
Balance Due from AT&T	\$ 829

Summary Page

Bona Fide Request - Illinois	\$6,909.00
Bona Fide Request - Indiana	991.00
Bona Fide Request - Michigan	5,756.00
Bona Fide Request - Ohio	3,708.00
Bona Fide Request - Wisconsin	<u>829.00</u>
Grand Total	\$18,193.00

** CONFIRMATION REPORT **

TRANSMISSION

TRANSACTION(S) COMPLETED

NO.	DATE/TIME	DESTINATION	DURATION PGS	STATUS	MODE
902	APR. 25 14:51		312 230 8305 0' 01' 39" 009	OK	N ECM

Ed Cardella



AT&T Corporate Center
227 West Monroe
Chicago, Illinois 60606

April 10, 1997

Ms. Joanne Missig
Manager-BFR Process
Ameritech Information Industry Services
23500 Northwestern
Room A-106
Southfield, Michigan

Via FAX

RE: AT&T's Bona Fide Request for Routing OS/DA Traffic

Dear Ms. Missig:

This is in response to the April 3rd and March 10th letters regarding AT&T's Bona Fide Request to determine the technical feasibility of routing AT&T's customers' OS/DA traffic to its Platforms. The list of end offices for which the routing option for Resale and/or Unbundled Local Switching is currently not available is partially responsive to AT&T's request, but remains incomplete. It is essential that we understand the rationale that was used in making the technically infeasible determination before AT&T can move forward on its routing request.

More specifically, AT&T requested in its BFR of December 24, 1996, a detailed explanation to support the technically infeasible determination at each switch by type (e.g., 1ESS, 1AESS, 5ESS, 5ESS-2000, DMS-10/100/200/250/500, EWSD) for each location. Examples of the details to which we refer include: switch type is 1ESS and incapable of SS7 functionality; switch has reached processor real time limitations; switch has exhausted Program Store, Main, or Switching Module memory; etc. Other information that is necessary for AT&T to complete an evaluation of Ameritech's technically infeasible assessment includes a list of current Line Class Codes ("LCC") and descriptions of each LCC for each switch. Additionally, for those switches where it is currently deemed to be technically infeasible, AT&T requests that Ameritech provide the dates that switch upgrades/growth are scheduled in order for Ameritech to provide the necessary OS/DA Routing capability, as required by the Telecommunications Act of 1996 ("Act"), in each of those offices. In addition, Ameritech has not provided any

information regarding a description of the differences, if any exist, in the routing of traffic in a resale environment as opposed to an environment where the Platform is provided without OS/DA as a standard offer.

Lastly, AT&T needs specific clarification from Ameritech regarding Ameritech's authority for imposing fees associated with this BFR submission. AT&T maintains that a deposit is not applicable under both the Act and our interconnection agreement. As previously stated to you, under the Act, Ameritech is obligated to provide the routing of OS/DA traffic to the CLEC's platforms.¹ Therefore, AT&T should not be responsible to pay Ameritech costs to determine whether or not it can comply with its obligations under the Act. In the event that capacity limitations in some offices may require construction or upgrading of the switch software, AT&T does not anticipate making a separate payment to Ameritech given the FCC's position stated in the First Report and Order and the state commission pricing orders. Ameritech should recover its costs through a competitively neutral method to be determined by the state public utility commission.

Moreover, with respect to Schedule 2.2 of our interconnection agreement, AT&T has not received any further clarification from you regarding Ameritech's interpretation. Generally, Schedule 2.2 says that AT&T should not pay Ameritech for its analysis of the Bona Fide Request in a separate payment unless AT&T cancels the BFR and the payment does not fall into one of the two categories discussed in Section 3 of Schedule 2.2. As indicated in our previous letter dated January 16, 1997, AT&T requests clarification of Ameritech's interpretation of Schedule 2.2 of the interconnection agreement. Please confirm when Ameritech plans to provide us with its clarification.

Ameritech's comments regarding compensation provided in Ray Thomas' February 24th letter to AT&T does not specifically address the issues discussed above. Ray Thomas reiterates what both the Ameritech Practice and the Ameritech BFR Form state. However, as acknowledged in Joann Missig's January 14th letter to AT&T, AT&T and Ameritech have negotiated separate interconnection agreements in each of the five states in the Ameritech region, and Ameritech was moving forward with AT&T's BFR under Section 2.2 of the now executed interconnection agreements. It is clear that neither the Ameritech Practice, nor the Ameritech BFR Form will dictate the processing or outcome of AT&T's BFR.

Additionally, your March 10th letter indicated that a 'summary bill' verifying your billing to AT&T would be forthcoming. AT&T has yet to receive any such information. Without the clarification or even the information to be supplied in your summary bill, AT&T will not agree to your request for AT&T to make additional payments. AT&T has consistently provided Ameritech with its position regarding the payment issues, as discussed above. However, our apparent disagreement on this issue coupled with Ameritech's reluctance in providing AT&T with its position should neither prevent

¹ See Section 418 of the FCC's First Report and Order dated August 8, 1996.

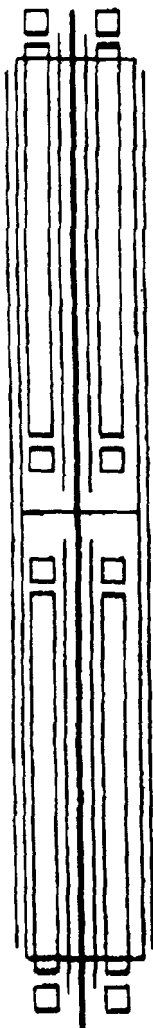
Ameritech from continuing to process this request, nor prevent AT&T from finalizing its business plans.

It is vital to AT&T's business plans that Ameritech fully explain the analysis that was used in making these technically infeasible determinations as well as provide AT&T with the other requested information. I would greatly appreciate a response which incorporates your complete analyses within the next ten (10) business days. Your immediate attention and cooperation will allow AT&T to adjust its business plans accordingly, especially in the markets in which it has already entered.

Very truly yours,


Eddy Cardella

Cc: Susan Bryant-AT&T
Jane Medlin-AT&T
Bonnie Hemphill-Ameritech



FACSIMILE MESSAGE COVER SHEET



Corporate Center
227 W. Monroe
Chicago, IL 60606



FOLLOWING THIS COVER SHEET IS/ARE 3 PAGE(S)

TO:

Name:

JoAnn Missig

Room #:

City:

Phone #:

810-443-9900

Fax #:

810-483-3738

FROM:

Name:

Eddy Cardella

Room #:

205H11

City:

Chicago, IL 60606

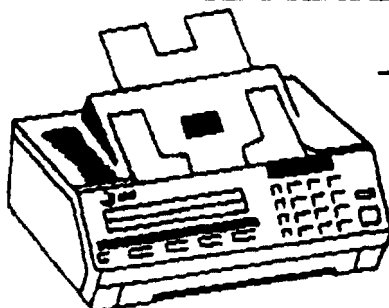
Phone #:

312-230-6264

Fax #:

312-230-8305

COMMENTS



☐ Hand Deliver Urgent

☐ Call for Pick-Up



Information Industry Services
350 North Orleans
Floor 3
Chicago, IL 60654
Office 312/335-6559
Fax 312/335-2927

Bonnie Hemphill
Account Director

June 11, 1997

Antoinette Thomas
AT&T
227 West Monroe Street
Chicago, Illinois 60606

Dear Antoinette:

Thank you for your letter dated May 23, 1997 to Joanne Missig. The matter has been referred to me as I am your Ameritech contact for process issues or Interconnection Agreement interpretation matters.

Although not required by the Interconnection Agreements, as indicated in Ameritech's BFR correspondence dated February 6 and April 10, 1997 and discussed in our April 17, 1997 meeting, Ameritech voluntarily offers AT&T the option of a deposit (\$2,000 per BFR) for processing Bona Fide Requests. Electing this option limits AT&T's liability for the costs of the initial evaluation phase of BFR processing to the amount of the \$2,000 deposit. A Bona Fide Request Quote will be provided within 30 days of a request for combinations of standard offerings or individual customer arrangements that do not require alterations not otherwise performed for individual customer arrangements. All other Bona Fide Requests will receive a quote within 120 days (in Illinois), and 90 days (in Indiana, Michigan, Ohio and Wisconsin). The time required to provide such quotes and the magnitude of such quotes is based on a number of factors, e.g., the nature of the Bona Fide Request(s), the number of pending BFRs, etc..

As also discussed in Ameritech's March 24, 1997 letter (Ray Thomas to Bill West), April 25, 1997 letter (Joanne Missig to Ed Cardella) and at our meeting on April 17, 1997, AT&T has agreed in each of the Interconnection Agreements to "pay the applicable recurring and non-recurring costs of developing, installing, providing and maintaining the requested capability." These specific terms and conditions of the Ameritech/AT&T Interconnection Agreements may be found in Schedule 9.2.3, Section 2.5 and Schedule 9.5, Sections 4.1.4, 4.1.5 and 4.1.7.

With respect to Ameritech's interpretation of the costs AT&T is required to pay Ameritech for processing of a BFR, Section 3 of Schedule 2.2 specifically provides that if AT&T cancels a BFR, AT&T will pay Ameritech's "reasonable and demonstrable costs of processing and/or implementing the Bona Fide Request up to the date of cancellation...", unless such costs fall into the two exceptions specified in Section 3¹. However, Section 3 does not address situations in which AT&T does not cancel the BFR because BFRs that are not canceled are specifically governed by one or more of the Interconnection Agreement provisions referenced above. These sections clearly specify AT&T's obligation to compensate Ameritech for its costs. Thus, regardless of whether AT&T cancels the BFR, decides it is not interested in purchasing a service requested in a BFR or ultimately orders a service requested via the BFR process, the terms and conditions of the Interconnection Agreements obligate AT&T to compensate Ameritech for its reasonable and demonstrable costs of processing and/or implementing a BFR.

¹ The two exceptions are: "any processing charges that are of the type not generally passed on by Ameritech to its retail or resale customers and such costs or cost categories are not included in the prices AT&T pays for the services provided by Ameritech under this Agreement".

In response to AT&T's position that costs of developing non-standard BFR's be recovered in a competitively neutral manner from all users, Ameritech does not believe that approach is applicable or appropriate for several reasons. First, it is in direct conflict with the Telecommunications Act of 1996, including Section 252 (d), which requires that the costs of providing network elements, interconnection, etc. be recovered from the user of the product or service. The only authorized exceptions to the recovery of costs from the user of the product or service, are the recovery of costs related to number administration and number portability under Section 251 (e) (2). Neither is applicable here. Second, the FCC's Interconnection Order in Docket 96-98 and Rules promulgated thereunder do not mandate or authorize the recovery of BFR related costs in a competitively neutral manner. Third, as Ameritech's earlier correspondence on this subject clearly establishes, our authorized Interconnection Agreements require that AT&T pay the costs of processing, developing and providing BFRs (and any associated products) to it.

Fourth, the costs Ameritech incurs in processing the second type of BFR as discussed in your letter are non-standard and more or less unique. These types of costs are recovered from the cost-causer, in this case the party submitting the request. For the same reason, Ameritech has never requested, nor does it deem appropriate, that AT&T be required to pay costs incurred by Ameritech to respond to a BFR to meet the unique needs of another carrier. Except for meeting specifically authorized statutory or regulatory policies, such as universal service, number portability or number administration, the Act contemplates that costs be recovered from the cost-causer.

In response to your questions regarding sharing of costs, in cases where Ameritech knows that a facility or capacity added to meet a BFR of AT&T will also be used to provide service to Ameritech, other carriers or other customers, Ameritech pro-rates those costs between the various applications they are supporting.

Regarding your questions concerning recovery of BFR developmental costs in the rates for the requested product or service, neither our agreement nor the Act speaks to the recovery of BFR-related costs over some expected use of the capability requested. Normally, these costs are recovered at the completion of each stage of the BFR. Ameritech typically recovers one-time, up front costs in one-time, up front charges or NRCs and ongoing costs from recurring monthly rates. AT&T and Ameritech agreed to this concept and adopted contract language that requires AT&T to "pay the applicable recurring and non-recurring costs" Also, this is analogous to the manner in which Ameritech recovers costs from its end user customers. In some instances, where the requested product is actually ordered, one-time costs may be spread over the life of the product in the form of additional recurring charges, e.g., where the customer signs a contract for volume and/or term commitments which are sufficient to ensure recovery of Ameritech's costs. These contracts generally include a termination liability for premature termination of the contract.

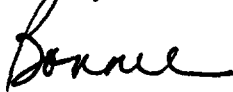
AT&T's letter also references BFR cost recovery related to multiple states. Where Ameritech incurs costs to process multiple BFRs for the same capability in more than one state of the Ameritech region, costs identifiable as being applicable to a specific state are included in the costs for processing the state specific BFR; where costs are incurred on a regional basis, they are pro-rated among the states involved.

You also asked Ameritech to provide additional detail and supporting data to allow AT&T to validate the reasonableness of the BFR charges. Ameritech can make such detail available. However, since the costs of providing additional substantiation is a cost of processing the BFR, Ameritech does not, as a matter of course, provide extensive substantiation, because in cases where there is no dispute, it would only serve to inflate the costs of processing the request. Rather Ameritech maintains records for each BFR and, upon request, will provide further detail to substantiate its charges. If AT&T wishes to adopt another procedure where Ameritech automatically provides such added level of substantiation, Ameritech will be happy to discuss the details with you. If AT&T disputes the amount of the bill presented to it for processing its BFRs for routing of OS/DA traffic originated by its end user customers (served by either resale or unbundled elements), it may exercise its rights under Article XXVIII of our agreement.

Finally, AT&T asked if Ameritech processes BFRs as soon as feasible, rather than automatically using the maximum number of days available. In all cases, Ameritech provides a response to a BFR as soon as reasonably feasible, consistent with not creating significant additional unauthorized costs for expedited processing. In this regard, it is important to remember that the schedule established for the processing of BFRs in our Interconnection Agreements is already very aggressive and normally reflects the time necessary to accurately and promptly process a BFR. Upon request, and where AT&T agrees to pay any resulting additional costs, such as overtime and added charges from vendors, Ameritech will consider further expediting of a BFR. Also, AT&T has often submitted BFRs to Ameritech late in the afternoon on Thursday, Friday or the day before a holiday. Since these BFRs are generally submitted without any notice to either the Account Director or BFR Manager, there is often no one in the office to receive AT&T's request at the time it is submitted. When BFRs arrive after normal business hours before a weekend or holiday, it may be several days before someone is in the office to initiate processing of AT&T's BFRs. Since responses are based on calendar days, submissions made just before weekends or holidays effectively shave several days from Ameritech's initial response time.

I trust that Ameritech has answered the many issues raised in your May 23, 1997 letter and that we may move forward. Please contact me should you wish further discussion on any of these items.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bonnie", written in dark ink.

Bonnie Hemphill



AM TR-NIS-000140

AMERITECH BONA FIDE REQUEST PROCESS

To:	Outside Vendors
Priority:	N/A
Effective Date:	February 1997
Issue Date:	Issue 2, February 1997
Expires On:	N/A
Training Time:	N/A
Related Documents:	N/A
Documents Canceled:	N/A
Issuing Dept:	AIIS
Distribution:	InfoTech
Business Unit:	Ameritech Information Industry Services

Point(s) of Contact:

Joanne Missig, Ameritech Information Industry Services, 810-443-9900

Author(s):

Joanne Missig

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GENERAL

This document provides Ameritech¹ customers, especially those who employ Ameritech's services as part of telecommunications services they provide to their end users, with a process to request Ameritech to provide a new or custom capability or function to meet their needs.

Included in this document is an Ameritech Bona Fide Request (BFR) Form. This form may be reproduced and submitted to Ameritech's Bona Fide Request Manager listed on the first page of the form.

1. BACKGROUND

Pursuant to the provisions of the Telecommunications Act of 1996 and other regulatory or statutory rules (e.g., the Federal Communication Commission's (FCC) Open Network Architecture (ONA) program), Ameritech may be asked to provide a new or modified network element, interconnection option, or other service options that Ameritech does not already provide on a general basis. The nature of these custom and new requests may vary widely. Ameritech has developed a BFR process to meet the widest variety of requests in a consistent and timely fashion.

2. THE BONA FIDE REQUEST PROCESS

2.1 OVERVIEW OF THE BFR PROCESS

The BFR process is intended to facilitate the two-way exchange of information between the requesting party and Ameritech necessary for prompt and accurate processing of requests. The process is structured so that milestones are completed within specified intervals. Under the BFR process, a preliminary analysis, including confirmation whether or not the request qualifies; an initial assessment of its technical feasibility; general product availability; and expected "product ready" date. This preliminary analysis will normally be completed within 30 calendar days. Where feasible, a projected order of magnitude price will also be provided. A full evaluation of each request, including any product development activity and final pricing, is normally completed within 120 calendar days.

2.2 DETAILS OF THE BFR PROCESS

The process begins with the submission of a BFR Form by the requester. Ameritech has established a single point of contact, a Bona Fide Request Manager, who is responsible for the receipt, tracking and coordination of all BFRs.

¹ For purposes of this document Ameritech means Illinois Bell Telephone Company (Ameritech - Illinois), Indiana Bell Telephone Company Incorporated (Ameritech - Indiana), Michigan Bell Telephone Company (Ameritech - Michigan), The Ohio Bell Telephone Company (Ameritech - Ohio), and the Wisconsin Bell, Inc. (Ameritech - Wisconsin).

When submitting the BFR, the requesting carrier has two options with respect to compensating Ameritech for its costs incurred in completing its preliminary analysis of the BFR request (first 30 days). The requesting carrier may either:

1. Include a \$2,000 deposit (per state) to cover Ameritech's preliminary evaluation costs and Ameritech will guarantee that the preliminary evaluation costs incurred during the first 30 days will not exceed \$2,000 (per state), or
2. Not make any deposit and agree to promptly pay the total preliminary evaluation costs incurred by Ameritech during the first 30 days.

Should Ameritech not be able to process the BFR or determine that the request does not qualify for BFR treatment, the \$2,000 deposit (per state) will be returned to the requesting carrier. Similarly, if the costs incurred to complete the preliminary analysis are less than \$2,000 (per state), the balance of the deposit will, at the option of the requesting carrier, either be refunded or credited toward additional development costs authorized by the requester after receipt of the formal 30-day response. The requester may also cancel its BFR request during the preliminary analysis process (first 30 days) and pay only Ameritech's costs incurred to the date of cancellation.

When the BFR form is received, the BFR Manager will review it for completeness and to determine if Ameritech understands the request and if all information necessary to process the request has been provided. If information necessary for evaluation of the request is missing or additional information will facilitate the processing of the request, the BFR Manager will contact the requester for the necessary information. Next, the BFR Manager will determine whether the request qualifies under the regulatory classification identified in Question 13.

As soon as feasible after receipt of the BFR, but normally no later than 10 business days (or as otherwise agreed to or required) after receipt of the BFR, the BFR Manager will issue a confirmation notice, either confirming that the BFR is being processed and notifying the requester of the key dates assigned to the request or formally notifying the requester that information required to process the request has still not been received, and that the request will be held in abeyance until the additional information is received. If, for some reason, the BFR cannot be processed or does not qualify for BFR treatment, the requester will be notified of that fact normally within 10 business days of receipt or as soon thereafter as Ameritech makes that determination.

Activities undertaken by the BFR Manager during the first 30 calendar days are focused on a preliminary assessment of the request, including its technical feasibility. If the requester is seeking a combination of network elements, Ameritech will also focus on whether the proposed combination can be made to function as a single element. The BFR Manager has various subject matter experts (SMEs) available to help complete the preliminary evaluation. If it is determined that the requested capability is technically feasible, and, if applicable, can function as a single element, an evaluation is then undertaken to determine whether it is already generally available, and if so, whether the other offering meets the requester's needs. The results of this analysis will be conveyed to the requester as a part of the 30-day formal response. The 30-day formal response also will include an indication of the following: (1) if the request qualifies under the Act or applicable regulatory requirements; (2) the results of the technical feasibility analysis; (3) if the request is for a combination of network elements, if they can function as a single element; (4) whether the requested capability is generally available today; if it is not available, the projected costs of development; and, (5) if further development is required, a form by which the requester can authorize the further development of the requested

capability. If feasible, Ameritech will also provide a proposed order of magnitude projected price based upon any quantity and term commitment specified.

Following the formal 30-day notification, no further action will be taken on the BFR until Ameritech has received the requester's authorization to proceed. Following receipt of the 30-day notification, the requesting carrier has the following options:

1. Cancel the BFR without any further liability to Ameritech to order the requested capability. However, the requesting carrier shall be responsible to compensate Ameritech for the costs it incurred prior to the date of cancellation in accordance with the options discussed above.
2. Authorize Ameritech to proceed with further development and/or pricing of the request based upon the requesting carrier's agreement to compensate Ameritech for any costs it incurs in developing and pricing the request, up to the estimated amount specified in the 30-day notice. If the requesting carrier wishes, in order to obtain lower non-recurring or recurring charges it may ask for prices that are based upon term and/or volume discounts.
3. Instances where Ameritech has provided an order of magnitude price quote, it may authorize Ameritech to proceed with development and/or pricing of the request based upon the requesting carrier's agreement to compensate Ameritech for the costs it incurs in further developing and pricing the request, up to the amount specified in the 30-day notice, or to order the request in the quantity and term specified, if the final price quoted by Ameritech is within the range specified in the 30-day notice.
4. Unless Ameritech receives written notification that the requesting carrier is exercising one of the above options within 30 days of Ameritech issuing the 30-day notification, the offer shall be automatically withdrawn without notice.

Once an authorization to proceed is received, normally no more than 90 calendar days will be used to complete any product development work required. The request will be assigned to a Product Manager and a product team will be formed to develop the offering. This includes an evaluation of the product's costs. Any term/quantity information submitted by the requester will be used in this evaluation. If option 3 above was selected, and Ameritech's evaluation determines that the product cannot be offered at the requested price and cover its costs plus a reasonable allocation of forward-looking joint and common costs, the requester will be provided the option of purchasing the requested capability at the price offered by Ameritech with volume and/or term commitments sufficient to allow Ameritech to recover its costs plus a reasonable allocation of forward-looking joint and common costs, or canceling the order and paying for the product's development, i.e., covering Ameritech's applicable costs of analyzing, developing, provisioning, and pricing the service plus a reasonable allocation of forward-looking joint and common costs as applicable. Also, at any time during the 90 days, the requester may indicate that processing of the request should be terminated and thereby limit its obligations to pay for the product development to those costs incurred through the date of termination.

Upon completion of this product development phase, but normally no longer than 90 calendar days, the requester will be provided with a final product delineation which will include a product description, proposed rates, ordering intervals, and methods and procedures for ordering the service and an invoice for the development and pricing costs incurred. The requester then has 30 calendar days to submit either firm orders for or cancel the requested capability at the final price quoted by Ameritech (consistent with any volume and/or term commitments), and remit the amount of Ameritech development costs as described above.